

The traffic in local productions of the colony during the past seven years is as follows :—

	Wool.	Timber.	Grain.	Minerals.	Horses and Cattle.	Sheep and Pigs.
	Tons.	Tons.	Tons.	Tons.	No.	No.
1879-80 ...	41,895	149,428	240,144	321,060	30,393	260,816
1880-81 ...	42,387	169,695	421,142	406,266	27,230	280,683
1881-82 ...	44,681	192,905	375,725	433,659	32,511	319,837
1882-83 ...	51,703	197,231	367,428	510,088	37,455	449,470
1883-84 ...	62,066	183,449	432,223	574,312	39,230	656,612
1884-85 ...	68,523	178,909	414,590	618,512	43,096	696,790
1885-86 ...	74,778	202,572	413,847	669,081	46,152	822,028

Particulars in greater detail of the last two years' traffic will be found in Return No. 5.

It will be observed that the agricultural produce traffic has remained stationary. The diminished area of land under grain-crop in the Middle Island during last season must lead to a diminished traffic and revenue under this head for the current year.

The live-stock traffic in all parts of the colony shows a rapid growth; and there is every reason to expect that it will continue to increase. Hurunui-Bluff shows the greatest growth in this class of traffic; Auckland, Wellington, and Wanganui follow next in order.

A large increase in the wool traffic has occurred almost exclusively on the Napier and Hurunui-Bluff Sections.

The general merchandise traffic shows an increase on the Auckland, Napier, and Wanganui Sections, but a marked decrease on the Wellington and Hurunui-Bluff.

The timber traffic has increased very largely on the Napier Section, and in a less degree on Auckland, Wellington, and Wanganui, but is practically stationary on the Hurunui-Bluff.

The traffic in native brown coals has decreased on the Hurunui-Bluff Section notwithstanding reduced rates for carriage, the West Coast and Newcastle coals being apparently preferred by the public. On the Auckland Section it has slightly increased. On the Greymouth and Westport Sections the mineral traffic has increased largely.

During the past two years large reductions have been made in railway rates, chiefly affecting local productions of various kinds, as agricultural produce, agricultural lime, native coals, timber for export, sheep and pigs, agricultural implements, cheese and milk, grass seed, flax, &c., and in passenger fares and others. Particulars of these alterations will be found in the table No. 32. While, therefore, the traffic has grown, there has not been a corresponding increase in the gross revenue.

By the exercise of economy, however, and owing to the great improvement in the conditions of the lines made and the better appliances for working available, during the past five years the expenses have been kept down, so that the net revenue for the year is £357,078, against £355,685 for the previous year.

The lines and rolling-stock have been maintained in good order, and in many respects have been improved.

There have been no serious mishaps during the year, but it is as well to bear in mind that the railway over the Taieri Plain is liable to damage at present, which may seriously affect both the revenue and expenditure.

In Auckland the new passenger-station building and yard have been opened, with great advantage to the public and the department. The goods-station re-arrangement is now being completed. At Wellington the passenger-station removal has been completed, and the re-arrangement of the goods-yard nearly so.

Increased workshop accommodation and machinery have been found necessary at Dunedin, Invercargill, Napier, Wanganui, and Wellington, and have been provided for.

The construction of carriage and wagon stock in the colony has been successfully carried on in the various shops.

A contract for building ten locomotives in the colony has been let to a Christchurch firm, and is now being executed.

Colonial-made lubricating oil has been introduced as an experiment for the rolling-stock, and its use, so far, promises to be economical.

The ticket-accounting, formerly done by the Audit Department, is now conducted by the Railway Accountant, and the Audit Department has ceased to audit the receipts of railway revenue, the audit and inspection conducted by the Railway Department being considered complete and efficient.

It is desirable to bear in mind the need for restricting the increase in the numbers of level crossings, and for increased care in their location and dimensions. It would be well that the public, as proprietors and users of the railways, should be alive to the important bearing these features have on the general safety of life and property on the railways.

It is also desirable to continue to bear in mind the need to restrict the stations and stopping-places on the score of public safety, convenience, and economy. Too many stations make the line more unsafe and expensive to work, and less convenient to the general public, without giving any adequate return of revenue. It often happens that demands are made which, if complied with, would sacrifice the convenience of extensive districts for comparatively insignificant local advantages. It is desirable that the public should recognize that, in the general interest, many of these demands should not be agreed to.

The usual tables are attached, giving the details of traffic, revenue, and other statistical information.

The conduct of the staff has been satisfactory, and organization for working is, as a rule, very complete and satisfactory.

Wellington, 13th May, 1886.

J. P. MAXWELL,  
General Manager.